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3 April 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Chen Yi's Statement Concerning Laos

1. Chen Yi's remarks to the press* on his departure from Djakarta on 2 April are not to be dismissed lightly. They almost certainly represent (a) an attempt to deter SEATO intervention, (b) Chinese concern over the possible establishment of a strong US military position in an area adjacent to China, and (c) a basis for later Chinese intervention if a major SEATO intervention should be made. This is the first time that the Chinese have explicitly tied a warning on Laos to their earlier intervention in Korea.

*

Chen Yi said that "if SEATO is sending troops to Laos we are prepared to send troops also if requested by Laotian Premier Souvanna Phouma." Stating that the "people of Laos" should be permitted to settle their own problems, Chen Yi warned that Communist China had a 350-mile frontier with Laos: "remember, China was compelled to participate in the Korean war, only after the United States forces went to our border beyond the Yalu River. Only then were we forced to take part."

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2. From the Communist point of view, events within Laos are unfolding swiftly to Communist benefit. The USSR's moderate playing of Laos probably, in Peiping's view, makes SEATO intervention difficult and, at least for the immediate future, improbable. The prospect of a 14-power conference on Laos accords the Chinese an opportunity not only to become diplomatically involved with Laos's fate, but to attempt to use such a conference for other Chinese purposes and aims. Thus we believe that such Sino-Soviet differences as may exist are not presently a major impediment to Bloc policy in Laos, and that Chen Yi's statements do not, therefore, reflect a present Chinese determination to "go it alone" in Laos or otherwise obstruct Moscow's course.

3. At present, the Bloc probably estimates that they can achieve their objectives in Laos through indigenous forces, providing them logistic support and a limited amount of covert North Vietnamese participation as cadres, technicians, and a few combat leaders. We continue to estimate that the Bloc would respond to US military escalation in Laos which threatened the favorable military position held by the Pathet Lao forces. The form which a Bloc military response would take would

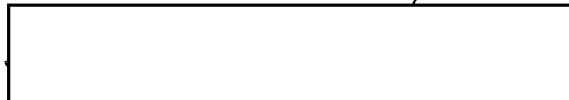
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depend on the nature and scale of SEATO's military operations in Laos. The North Vietnamese would probably bear the main brunt of any military support to the Pathet Lao, with the Chinese participating on a major scale only should this become necessary to preserve the present Communist stake in Laos

FOR THE BOARD OF NATIONAL ESTIMATES:

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SHERMAN KENT
Chairman

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